

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Administrative Office	(2) MEETING DATE 3/10/2015	(3) CONTACT/PHONE Nikki J. Schmidt 805/781-5496	
(4) SUBJECT Consideration of a letter to the Federal Communication Commission supporting the public benefit of affordable high-speed internet service for all low-income households. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board consider a letter to the Federal Communication Commission (FCC) in support of affordable high-speed internet service for all low-income households which would create a public benefit from the Comcast acquisition of Time Warner Cable and the trade of service territory with Charter Communications.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT { } Consent { } Presentation { } Hearing (Time Est. ____) {x} Board Business (Time Est. <u>30 minutes</u>)			
(11) EXECUTED DOCUMENTS { } Resolutions { } Contracts { } Ordinances {x} N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A { } 4/5 Vote Required {x} N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY {x} N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Guy Savage			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Nikki J. Schmidt, Administrative Office

DATE: 3/10/2015

SUBJECT: Consideration of a letter to the Federal Communication Commission supporting the public benefit of affordable high-speed internet service for all low-income households. All Districts.

RECOMMENDATION

It is recommended that the Board consider a letter to the Federal Communication Commission (FCC) in support of affordable high-speed internet service for all low-income households which would create a public benefit from the Comcast acquisition of Time Warner Cable and the trade of service territory with Charter Communications.

DISCUSSION

The County has been asked to join various non-profit organizations, cities and several counties throughout the state to support securing a public benefit from the proposed Comcast acquisition of Time Warner Cable and the trade of service territory with Charter Communications.

Federal law states that there must be a finding of public benefit in order to approve the proposed Comcast acquisition of Time Warner Cable and the trade of service territory with Charter Communications. Currently, Comcast has a program, Internet Essentials, which provides broadband at a reduced rate, \$9.95 a month, for families of students eligible to receive free or reduced school lunch. This program was established in 2010 in order for Comcast to secure federal approval of its purchase of NBC Universal. However, it is felt by some that this program fails to reach millions of Americans who could benefit most from an affordable connection to the internet. Since the program's inception, only 14% of the currently eligible households have been signed up. It is estimated that another 1.375 million California households would qualify for this program if the requested public benefit was approved.

For your consideration, are 5 recommendations that would be required if the FCC approves the Comcast-Time Warner Cable-Charter corporate consolidation.

1. **Include All Low-Income Households:** Extend Comcast's Internet Essentials to all low-income households, not just those with school children. Require Charter and all companies resulting from corporate mergers or acquisitions to offer a similar affordable offer to all low-income households. Low-income seniors, people with disabilities and returning veterans are not covered today.
2. **Set Performance Goals:** Set a goal for Comcast to increase Internet Essentials subscribership for expanded eligible households to reach 45% in 2 years, and to continue the program until 80% adoption is achieved in all low-income neighborhoods in each major market within the combined service territories. Set a similar goal for Charter and all other companies.
3. **Capitalize an Independent Fund and Coordinate with States:** Work through and collaborate with states that have an adopted plan to close the Digital Divide. In states, such as California, that are major Comcast-Time Warner Cable markets and have a strategic plan to close the Digital Divide, require them to dedicate a sufficient amount to an independently-managed fund to engage experienced community-

based organizations, libraries and schools to assist in achieving the 45% subscription sign-ups and overall 80% adoption rate. Apply this same approach to states that become dominant Charter markets. The management of such a fund should be selected by a state agency through an open competitive process.

4. **Establish an Advisory Oversight Committee:** Establish a national advisory oversight committee to provide feedback and input to the FCC in monitoring performance and progress. The program has been riddled with problems and there is a lack of transparency on data regarding eligibility and progress. There must be a reliable process and mechanism for public accountability.
5. **Offer Stand-Alone Internet Service:** Require Comcast, Charter and other merged companies to offer all consumers the opportunity to purchase stand-alone Internet access at a reasonable rate instead of being forced to pay for bundled services.

OTHER AGENCY INVOLVEMENT/IMPACT

Various non-profit organizations, cities and several counties have signed letters and/or petitions of support for incorporating these recommendations as part of the approval for Comcast-Time Warner Cable-Charter corporate consolidation. The request to consider this item was made by the Del Norte County Board of Supervisors.

FINANCIAL CONSIDERATIONS

There is no cost associated with the preparation of the support letter. If the 5 recommendations are included as part of the corporate consolidation, over a million households in California would be eligible for internet service at reduced rate including many in the County.

RESULTS

Throughout the State, an estimated 1.375 million households would be eligible for the Comcast's Internet Essentials program.

ATTACHMENTS

1. Draft letter of support to the Federal Communications Commission
2. Endorsing Partners